

5 TIPS TO BUYING YOUR FIRST HOME

Buying your first home is a big responsibility. When it comes to buying, there are several elements you need to look at in order to make the best decision possible for you. Here are a few tips that will help you navigate the complex world of homeownership so you can have the best real estate experience possible!

#1 Weigh the Costs of Homeownership, Personally and Financially

The biggest step in buying is making sure you are financially & personally ready. If you purchase a home without having the financial resources in place, then an aggressive case of debt is a likely scenario. On that same note, if you are moving without a job in place or connections in your new location, there are issues that can arise from there as well. Take into consideration the following when considering purchasing a home:

- What is your biggest motivation for moving?
- Can you make a down payment?
- Can you afford mortgage payments, utility fees, property taxes, HOA fees, repairs, etc.?
- Will you have to commute for work?
- Do you know anyone in the area?
- Do you need to buy a home or can you continue renting?
- Are you moving because you need more space?
- If you have kids, what is the school district like? Better or worse than your current one?
- What is the cost of living in the area you are looking into?
- Will you have a yard to maintain? If so, on your own or with hired help?

Answering questions like these will give you a strong indication of whether or not you're ready to buy a home and propel you forward through the next steps in becoming a homeowner.

#2 Choose Your Location BEFORE You Choose Your Home

Knowing which location you want to buy your home in will answer a lot of questions about its market value and the overall environment you'll be living in. Depending on the neighborhood, there is the potential for property value to go up after you've purchased it and there is the potential for it to go down. The better the amenities, proximity to major facilities/venues and plans for expansion will all affect the current and future state of the market/the neighborhood. When searching neighborhoods, research:

- School district ratings (high, low, improving, declining)
- Neighborhood building plans
- HOA regulations
- Building regulations
- Distance from metropolitan hubs
- Proximity to major roadways
- Crime rates in the area (improving, worsening)

If a neighborhood is showing signs of improvement, then it is likely going to be a good choice for you to live for many years to come, as well as ensure a return on your investment.

#3 Shop Around for the Best Mortgages for You

Once you know what your budget is going to look like, you will need to start looking at securing a loan. Always make sure you look at multiple options before you apply for a loan, as some mortgages may work better for your specific needs. Things to consider when applying for a mortgage:

- How much will you personally be adding to the down payment?
- What is the maximum monthly payment you can comfortably make?
- Would you like a fixed or variable mortgage payment?
- Are interest rates going up or down in your chosen area?

Luckily for you, the team at AmCap Home Loans can help talk you through your options and help you to answer any of the above questions so you won't feel overwhelmed during this exciting time.



#4 Try Finding a Buyer's Broker

While sometimes difficult to find in some areas, a buyer's broker operates differently from a regular real estate agent. REALTORS® act on behalf of the seller and attempt to get the highest price possible to achieve the seller's goals. A buyer's broker, however, is legally obligated to obtain the best price on behalf of the buyer. That way, your first buying experience is spent working with someone who will work with your budget in mind.

#5 Know Your Property Restrictions & Reports BEFORE You Buy

Few things are worse than purchasing a home and later discovering there is a major issue that was overlooked and requires remediation. The only way to make sure you don't get caught by surprise with extra expenses is to read and fully understand all the property restrictions and reports. Some of the items to research on any potential house are:

- Building restrictions
- Required permits
- Neighborhood restrictions
- Termite/pest inspections
- Foundation reports
- Roof & structure reports
- Mold reports
- HVAC, plumbing & electrical reports
- Carbon monoxide/radon reports

Once you are thoroughly aware of any underlying issues within a home and you are secure in your decision to buy, place your offer and wait to close!

We at AmCap Home Loans are delighted that you are thinking of becoming a first-time homeowner and would love to help you in any way we can. Should you have any further questions about the homebuying process or what mortgage options are available to you, please don't hesitate to contact us!



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